

# **EXHIBIT 51**

**VALUATION ANALYSIS OF  
100 PARTICIPATION SHARES OF  
CHARITABLE DAF HOLDCo, LTD**

**AS OF  
SEPTEMBER 30, 2024**

Prepared for:

Mr. Mark Patrick  
Director  
Charitable DAF HoldCo, Ltd



January 7, 2025

Mr. Mark Patrick  
Director  
Charitable DAF HoldCo, Ltd  
2101 Cedar Springs Road, Suite 1200  
Dallas, Texas 75201

***RE: Valuation Analysis of 100 Participation Shares of Charitable DAF HoldCo, Ltd***

Dear Mr. Patrick:

Pursuant to your request, we were retained to perform an independent valuation analysis to determine the fair market value of 100 participation shares (the "Subject Interest") out of an assumed 305 participation shares of Charitable DAF HoldCo, Ltd ("DAF" or the "Company") as of September 30, 2024 (the "Valuation Date"). ValueScope has not independently verified the total number of participation shares outstanding.<sup>1</sup> This valuation analysis was conducted for internal reporting purposes. No other use for this analysis is intended or should be inferred.

**DEFINITION AND PREMISE OF VALUE**

The standard of value is fair market value. Fair market value is defined by IRS Revenue Ruling 59-60, 1959-1 C.B. 237 as the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.

To develop our conclusion of value for the Subject Interest, we considered all of the factors listed in Revenue Ruling 59-60. These factors include:

1. The nature of the business and its history from inception.
2. The economic outlook in general and the condition and outlook of the specific industry in which it operates.
3. The book value and the financial condition of the business.
4. The earning capacity of the business.
5. The dividend-paying capacity of the business.
6. Whether the enterprise had goodwill or other intangible value.

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<sup>1</sup> The Subject Interest is assumed to effectively represent approximately 32.8% of all participation shares.

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7. The market prices of the stocks of corporations engaged in the same or similar line of business having their stocks actively traded on an exchange or over the counter.

8. The marketability, or lack thereof, of the securities.

The premise of value followed herein is going concern.<sup>2</sup> The liquidation premise of value was considered and rejected as not applicable because the going-concern value results in a “highest and best use” value for the interest.

## SCOPE OF WORK

To gain an understanding of DAF’s operations, we reviewed the Company’s financial and operational data and spoke with the Company’s advisors. To understand the environment in which DAF operates, we researched relevant information concerning the collateralized debt industry. We also studied economic conditions as of the Valuation Date and their impact on DAF and the industry.

We valued the Company in accordance with generally accepted valuation standards and included such valuation tests and procedures that we considered necessary under the circumstances. Our conclusion of value reflects these findings, our judgment and knowledge of the marketplace, and our expertise in valuation.

In performing our work, we were provided with and/or relied upon various sources of information, including (but not limited to):

- Financial statements for the Company as of September 30, 2024
- The Memorandum and Articles of Association of Charitable DAF HoldCo, Ltd
- Information regarding the Company’s history and current operations

We relied on information received as indicative of the Company as of the Valuation Date. We made limited investigation as to the accuracy and completeness of such information and did not verify this information as part of our valuation. Therefore, we express no opinion or other form of assurance regarding the accuracy of the source data. Our analysis was based in part on this information, as well as on other data we developed.

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<sup>2</sup> The *International Glossary of Business Valuation Terms* defines “Going Concern” as “an ongoing operating business enterprise,” and “Going Concern Value” as “the value of a business enterprise that is expected to continue to operate into the future. The intangible elements of going concern value result from factors such as having a trained workforce, an operational plant, and the necessary licenses, systems, and procedures in place.”

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## CONCLUSION OF VALUE

Based on the procedures outlined herein and the corresponding analysis, it is our opinion that the fair market value of the Subject Interest as of the Valuation Date can be reasonably stated as:

**\$75,961,370**

**SEVENTY-FIVE MILLION NINE HUNDRED SIXTY-ONE THOUSAND THREE HUNDRED SEVENTY DOLLARS**

FMV Summary			
Company Net Asset Value (NAV)		\$269,052,808	<i>Schedule A.2</i>
Shares Outstanding		305	
<b>NAV Per Share</b>		<b>\$882,140</b>	
<b>Applicable Discounts</b>			
Discount for Lack of Control	8.1%		<i>Schedule B.3</i>
Discount for Lack of Marketability	6.3%		<i>Schedule C.5</i>
Combined Discount	13.9%	(\$122,527)	
<b>FMV Per Share</b>		<b>\$759,614</b>	
Subject Shares		100	
<b>FMV of Subject Interest</b>		<b>\$75,961,370</b>	

We are independent of DAF and have no current or prospective economic interest in the assets that are the subject of this analysis. Our fee for these valuation services was in no way influenced by the results of our analysis. The content of this valuation report is subject to the Assumptions and Limiting Conditions and the Appraisal Certification at the end of this report. If you have any questions concerning this report, please contact Steven C. Hastings, CPA/ABV/CFF, CGMA, ASA, CVA.

Very truly yours,



ValueScope, Inc.

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## **ENGAGEMENT OVERVIEW**

### **DESCRIPTION OF THE ASSIGNMENT**

We were retained to perform an independent valuation analysis to determine the fair market value of 100 participation shares (the “Subject Interest”) out of an assumed 305 participation shares of Charitable DAF HoldCo, Ltd (“DAF” or the “Company”) as of September 30, 2024 (the “Valuation Date”). ValueScope has not independently verified the total number of participation shares outstanding.<sup>3</sup> This valuation analysis was conducted for internal reporting purposes. No other use for this analysis is intended or should be inferred.

### **SCOPE**

This report provides a detailed discussion of the valuation analysis we performed and is divided into six major sections. The first section outlines the description, scope, and procedures of our analysis. The second section provides a brief description of the Company and the Company’s financial position. The third section includes a discussion of the national economy and the industry in which the Company operates. The fourth section details a discussion of valuation theory and methodology. The fifth section presents our valuation analysis, and the sixth section presents our conclusion and reconciliation of the fair market value of the Subject Interest.

### **PROCEDURES**

This valuation analysis was conducted in accordance with generally accepted valuation procedures. These procedures included such substantive valuation tests that we considered necessary and appropriate under the circumstances. We relied upon information received regarding the Company’s operations and we made limited investigation as to the accuracy and completeness of such information. Our analysis was based in part on this information, as well as on other data obtained through additional research. A full discussion of the methodologies employed appears in the following sections of this report.

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<sup>3</sup> The Subject Interest is assumed to effectively represent approximately 32.8% of all participation shares.



## **DAF OVERVIEW<sup>4</sup>**

### **COMPANY OVERVIEW**

Charitable DAF HoldCo, Ltd is a Cayman Islands “company limited by shares” formed in October 2011. Upon the shareholders’ acceptance of shares, the shareholders agreed to the provisions of the Memorandum and Articles of Association of Charitable DAF HoldCo, Ltd (as amended from time to time in accordance with the provisions thereof, the “DAF Agreement”) and the Companies Law of the Cayman Islands (as amended from time to time, the “Law”). As a holding company, DAF’s predominant assets were historically interests in the equity tranches of Collateralized Loan Obligations (“CLOs”), the ownership of which is held through tiered entities that function as unrelated trade or business income tax blocker entities.

### **SUBJECT INTEREST OVERVIEW**

Based on information provided by the Company’s management (“Management”), the Subject Interest shares are participation shares that from time to time are expected to receive cash distributions to fulfill certain charitable and expense goals of the owners of the participation shares. The Subject Interest shares are directly affected by the terms of the DAF Agreement and the actions of DAF’s directors. According to the DAF Agreement, the appointed directors control the business, affairs, and power of the Company (Sections 72 and 77), including the issuance and purchase of shares on such terms and in such manner as the director determines (Sections 7-10). Director consent is also required for shareholders to transfer their interests in DAF (Section 18). Finally, although shareholders may determine the timing and amounts of dividends (Section 100), no dividend can exceed an amount approved by the directors (Section 101).

### **HISTORICAL FINANCIAL ANALYSIS**

We were provided with the Company’s balance sheet as of September 30, 2024. These financial statements reflect various professional valuations of DAF’s ultimate underlying assets.

As reported as of the Valuation Date, DAF’s sole asset consisted of 100% of the equity of CLO HoldCo, Ltd (“CLO HoldCo”). CLO HoldCo is a holding company which invests in CLOs and other various investments. The net asset value for CLO HoldCo was reported as

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<sup>4</sup> Based on the Company’s memorandum and articles of association and information from management.

\$269.1 million. DAF reported no liabilities as of the Valuation Date. As a result, DAF's book equity as of the Valuation Date was determined to equal \$269.1 million.

DAF's balance sheet as of the Valuation Date is presented in Schedule A.2.

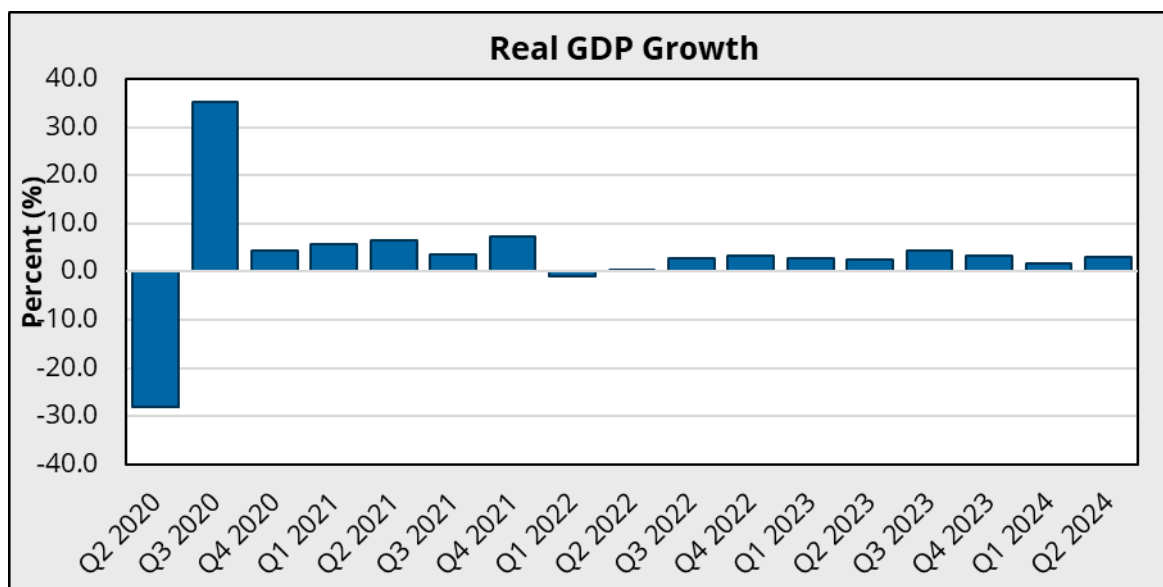
## ECONOMIC AND INDUSTRY OVERVIEW

### OVERVIEW OF THE U.S. ECONOMY

In the second quarter of 2024, the US economy experienced positive growth that surpassed the pace of the first quarter. Inflation has moderated significantly from its peak of 8.99% in June 2022 to 2.59% by August 2024, reflecting progress toward the Federal Reserve's inflation target. After an extended period of elevated interest rates to curb inflation, recent data pointed to a cooling labor market and continued price stability, prompting the Fed to cut rates by 50 basis points. The steady rate hikes initiated in 2023 led to an inverted yield curve, suggesting investor expectations of an economic slowdown. Nevertheless, US stock markets have gained momentum, with indices closing higher year-over-year, supported by declining inflation and anticipated further monetary easing.

### Gross Domestic Product<sup>5</sup>

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2024, following an increase of 1.6 percent in the first quarter. The acceleration in real GDP in the second quarter primarily reflected accelerations in consumer spending, private inventory investment, and nonresidential fixed investment. These movements were partly offset by a deceleration in residential fixed investment. Imports increased.

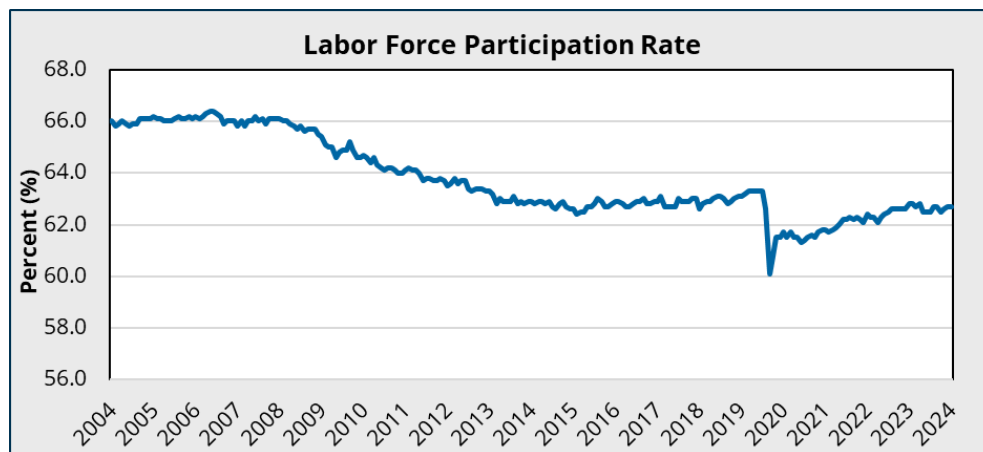
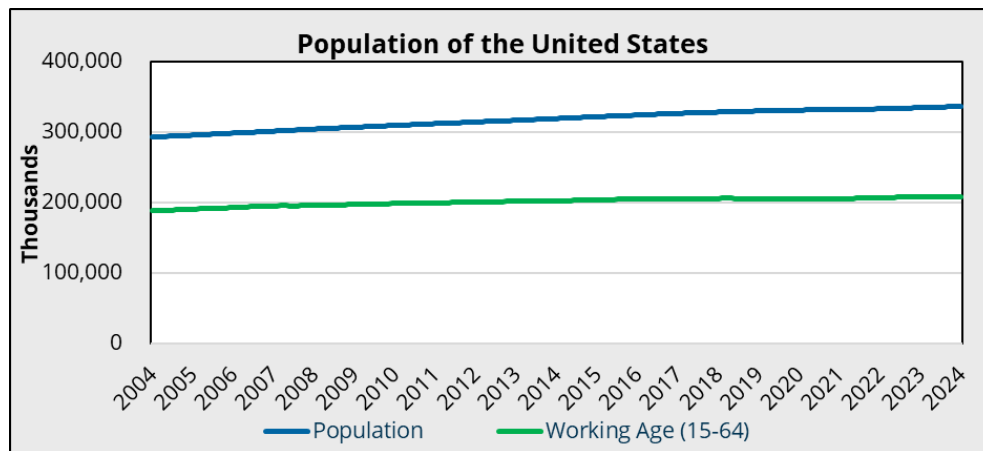


<sup>5</sup> U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, Second Quarter 2024. (Release Date: 9/26/2024).

## Population

Population growth is an important driver of long-term growth in an economy. The total population increased from 335.4 million in August 2023 to 337.2 million in August 2024.<sup>6</sup> The working-age population (15-64) increased from 208.7 million in August 2023 to 208.9 million in August 2024.<sup>7</sup>

Labor force participation had a sharp decline at the onset of the COVID-19 pandemic. It partially recovered in just several months and has been trending upward/flat. In August 2023, the civilian labor force participation rate was 62.8% and stands at 62.7% as of August 2024.<sup>8</sup>



<sup>6</sup> U.S. Bureau of Economic Analysis, Population [POPTHM], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

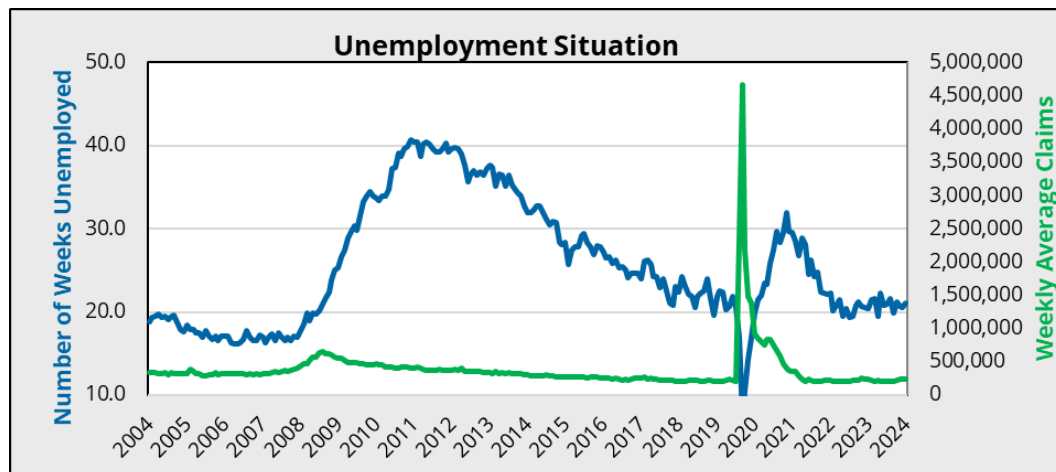
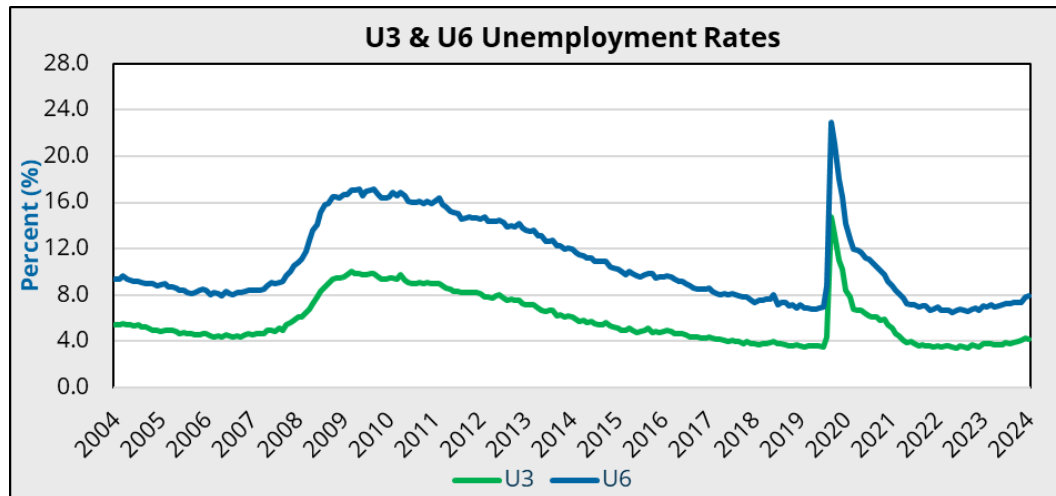
<sup>7</sup> Organization for Economic Co-operation and Development, Working Age Population: Aged 15-64: All Persons for the United States [LFWA64TTUSM647N], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

<sup>8</sup> U.S. Bureau of Labor Statistics, Civilian Labor Force Participation Rate [CIVPART], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

## Employment

Nonfarm payroll employment, according to the Bureau of Labor Statistics (BLS), rose by 142,000 in August 2024 and the unemployment rate increased slightly to 4.2 percent. Job gains occurred in construction and healthcare.

The U6 unemployment rate, which includes all marginally attached workers and those employed part-time for economic reasons, increased from 7.1% in August 2023 to 7.9% in August 2024.<sup>9</sup>



Forecasters surveyed by the Federal Reserve Bank of Philadelphia predicted the unemployment rate will be 4.2% for both 2026 and 2027.

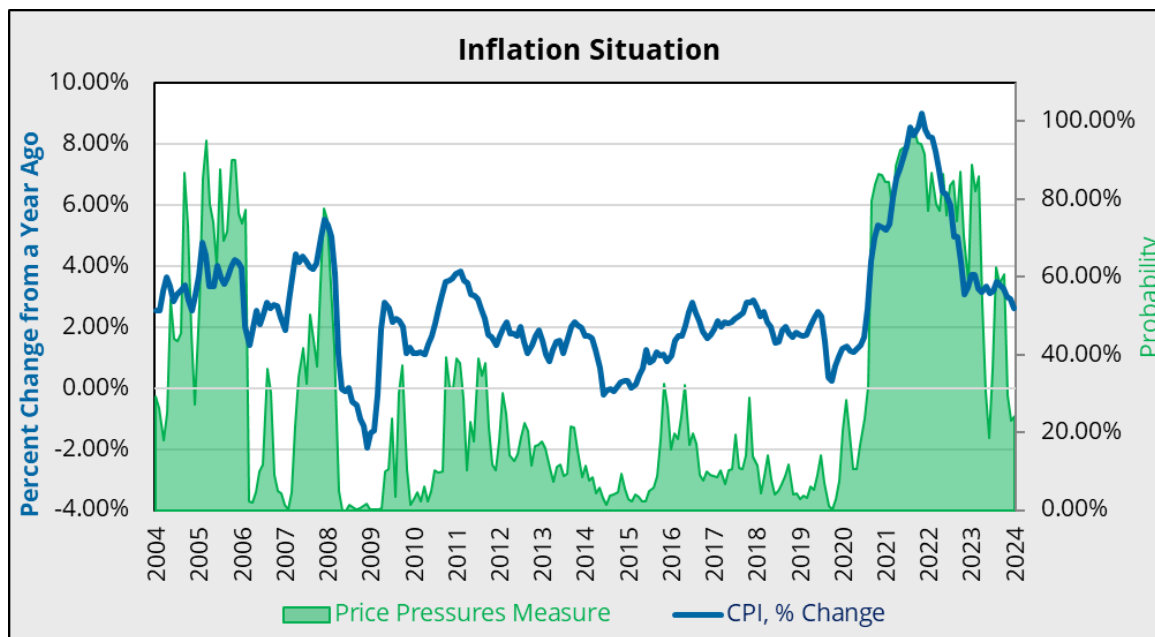
<sup>9</sup> U.S. Bureau of Labor Statistics, Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons [U6RATE], Civilian Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

## Inflation

According to the BLS, The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in August on a seasonally adjusted basis, after the same increase in July. Over the last 12 months, the all-items index increased 2.5 percent before seasonal adjustment.<sup>10</sup>

The index for shelter rose 0.5 percent in August and was the main factor in the all items increase. The food index increased 0.1 percent in August, after rising 0.2 percent in July. The index for food away from home rose 0.3 percent over the month, while the index for food at home was unchanged. The energy index fell 0.8 percent over the month, after being unchanged in the preceding month.

The price pressures measure estimates the probability that the personal consumption expenditures price index inflation rate will exceed 2.5% over the next twelve months. This price pressures measure has declined significantly since a year ago, August 2023, declining from 88.97% to 24.05% in August 2024<sup>11</sup>. The forecasters predict current-quarter headline CPI inflation will average 2.3 percent at an annual rate, down from the prediction of 2.8 percent in the previous survey<sup>12</sup>.



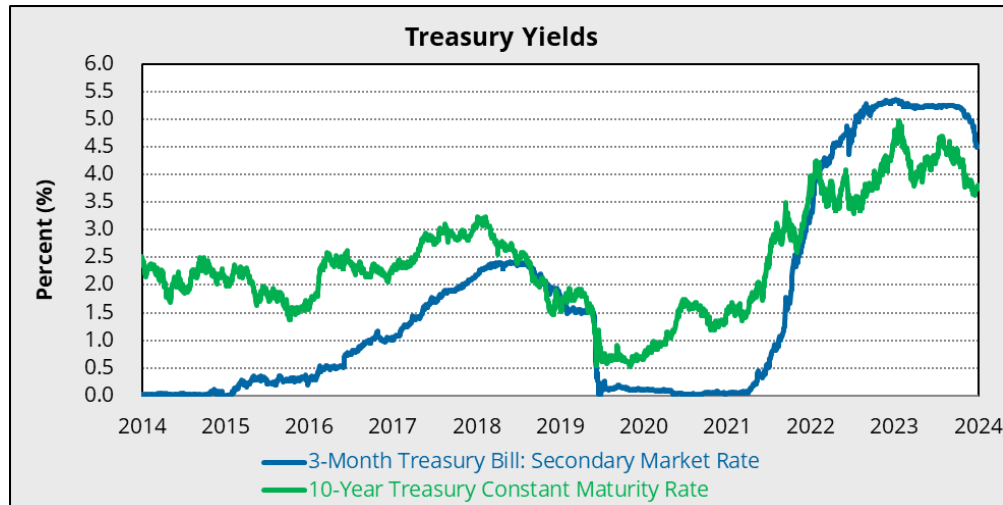
<sup>10</sup> Federal Reserve Bank of St. Louis, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

<sup>11</sup> Federal Reserve Bank of St. Louis, Price Pressures Measure [STLPPM], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

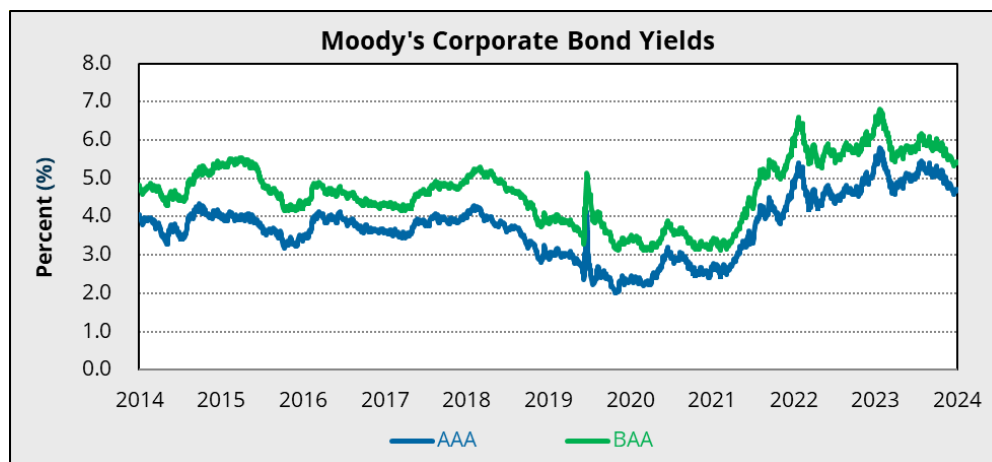
<sup>12</sup> Federal Reserve Bank of Philadelphia, *Survey of Professional Forecasters*, August 9, 2024.

### Interest Rates

The interest rate on the three-month Treasury bill declined from 5.32% as of September 29, 2023, to 4.52% as of September 30, 2024.<sup>13</sup> The interest rate on the ten-year Treasury note declined from 4.59% as of September 29, 2023, to 3.81% as of September 30, 2024.<sup>14</sup>



The interest rate on Moody's Aaa-rated corporate bonds declined from 5.36% as of September 29, 2023, to 4.72% as of September 30, 2024.<sup>15</sup> The interest rate on the Moody's Baa-rated corporate bonds declined from 6.37% to 5.44% over the same time.<sup>16</sup>



<sup>13</sup> Board of Governors Federal Reserve System, 3-Month Treasury Bill: Secondary Market Rate [DTB3MS], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

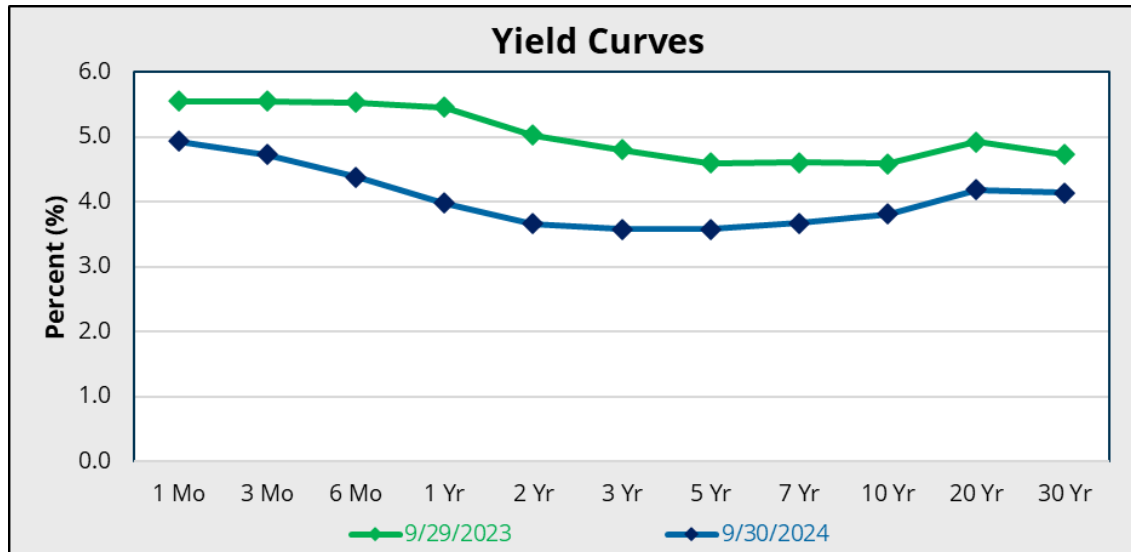
<sup>14</sup> Board of Governors Federal Reserve System, 10-Year Treasury Constant Maturity Rate [DGS10], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

<sup>15</sup> Moody's, Moody's Seasoned Aaa Corporate Bond Yield© [DAAA], Moody's Seasoned Aaa Corporate Bond Yield© [DAAA], retrieved from FRED, Federal Reserve Bank of St. Louis, last October 7, 2024.

<sup>16</sup> Moody's, Moody's Seasoned Baa Corporate Bond Yield© [DBAA], Moody's Seasoned Baa Corporate Bond Yield© [DBAA], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

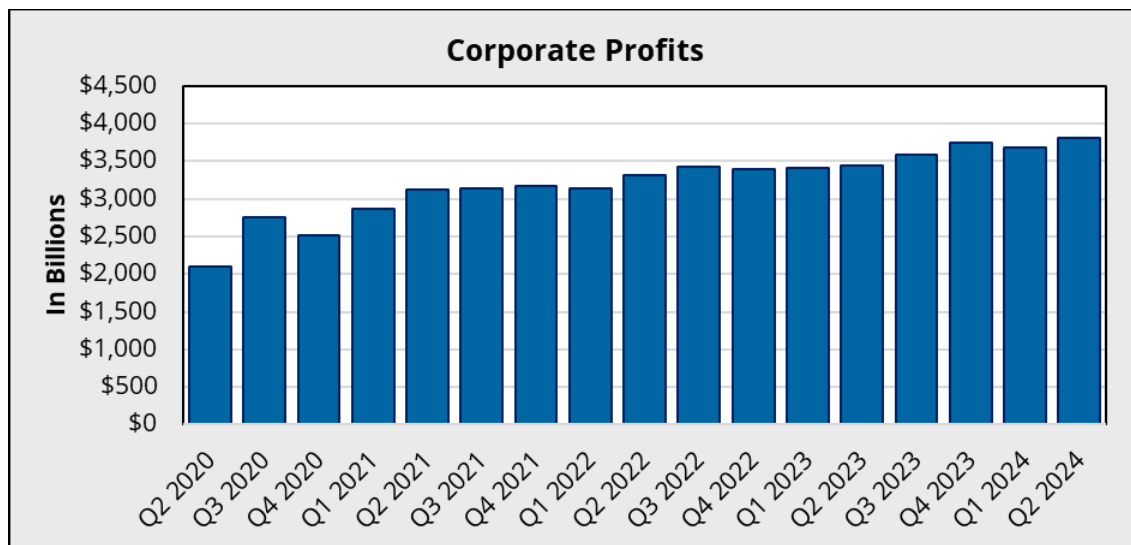
## ECONOMIC AND INDUSTRY OVERVIEW

In the last twelve months, the yield curve remained inverted, with the spread between the twenty-year Treasury Bond and the one-year Treasury Bill increasing/flattening between September 29, 2023, to September 30, 2024 from -0.54% to 0.21%.<sup>17</sup>



### Corporate Profits

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$132.4 billion in the second quarter of 2024 from the first quarter of 2024.

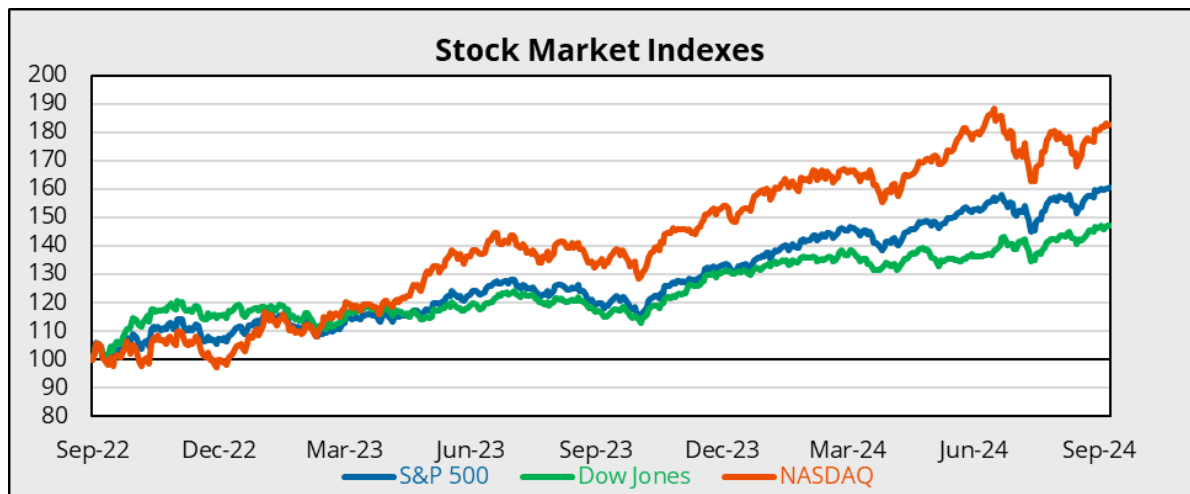


<sup>17</sup> U.S. Department of the Treasury, *Daily Treasury Yield Curve Rates*, last accessed October 7, 2024.



**Stock Markets<sup>18</sup>**

The stock markets gained momentum from September 29, 2023, to September 30, 2024. The S&P 500 Index (SPY) closed at 427.48 on September 29, 2023, and closed higher at 573.76 on September 30, 2024. The NASDAQ Composite Index (QQQ) closed at 334.95 on September 29, 2023, and closed higher at 423.12 on September 30, 2024. The Dow Jones Industrial Average Index (DIA) closed at 358.27 on September 29, 2023 and closed higher at 488.07 on September 30, 2024. In the graph below, the September 30, 2022, values were set to 100.

**Construction & Housing Starts**

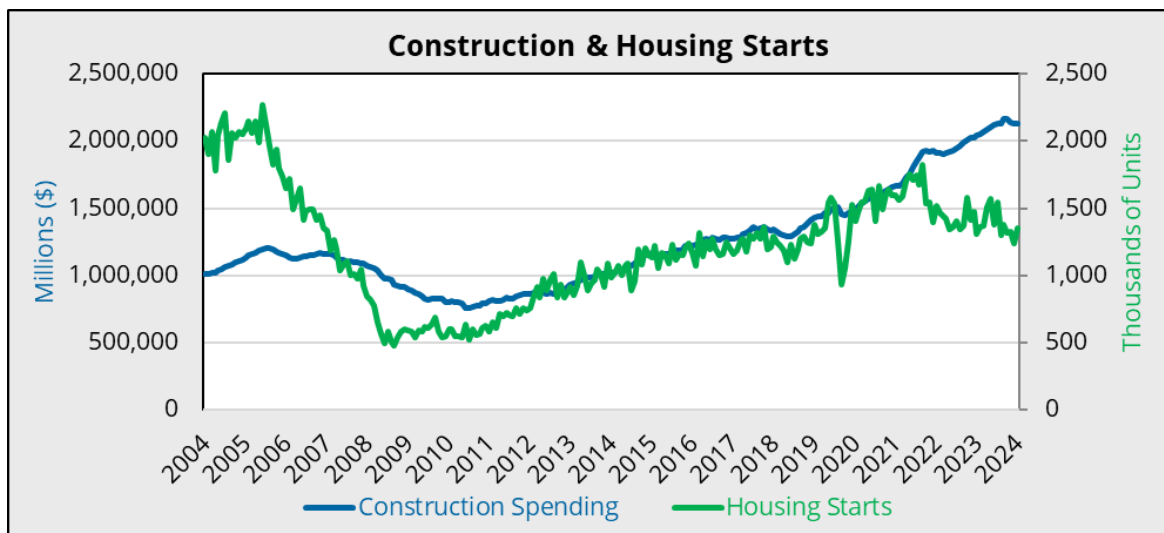
Construction spending and housing starts are two other important indicators for the economy. Construction spending may indicate the sentiment in real estate markets and the soundness of the economy while housing starts are an alternative indicator of consumer sentiment. Increases in demand for newly constructed homes can lead to job growth in the construction industry, increased demand for appliances and furniture, and have ripple effects throughout the economy. Housing starts increased from 1.305 million units in August 2023 to 1.356 million units in August 2024.<sup>19</sup> Construction spending, a seasonally adjusted annual figure, increased from \$2.05 trillion in August 2023 to \$2.13 trillion in August 2024.<sup>20</sup>

<sup>18</sup> CapIQ Database, last accessed October 7, 2024.

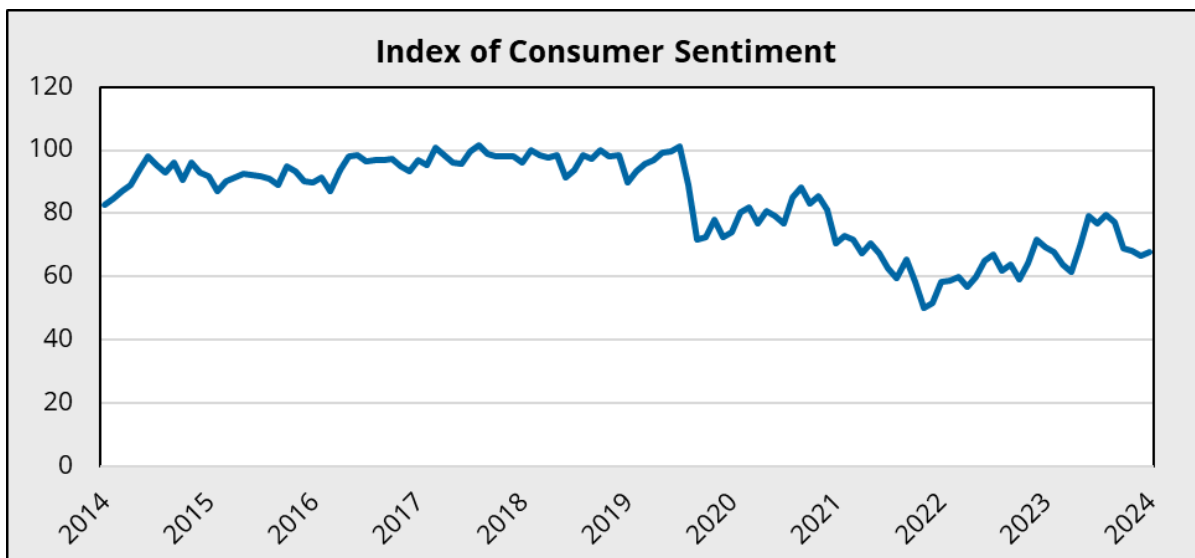
<sup>19</sup> U.S. Census Bureau and U.S. Department of Housing and Urban Development, Housing Starts, New Privately-Owned Housing Units Started [HOUST], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

<sup>20</sup> U.S. Census Bureau, Total Construction Spending, Seasonally Adjusted Annual Rate [TTLCONS], retrieved from FRED, Federal Reserve Bank of St. Louis, last accessed October 7, 2024.

## ECONOMIC AND INDUSTRY OVERVIEW

**Consumer Confidence**

The University of Michigan Survey of Consumers reported that the Index of Consumer Sentiment has decreased from 69.40 a year ago in August 2023 to 67.90 in August 2024. Although it has declined slightly from a year ago, the index is still well below the pre-COVID high of 101.0 in February 2020.<sup>21</sup> The index is based on a survey of consumer perceptions of present economic conditions and expectations of future conditions. The survey is based on a sample of 500 phone interviews consisting of 50 core questions conducted across the continental U.S. This is considered a leading indicator of future consumer expenditures and economic activity.



<sup>21</sup> University of Michigan, *Surveys of Consumers*, September 2024

**OVERVIEW OF THE PRIVATE EQUITY, HEDGE FUNDS & INVESTMENT VEHICLES INDUSTRY<sup>22</sup>**

This industry is composed of private equity funds, hedge funds, closed-end funds, unit investment trusts and other financial vehicles. Entities in this industry manage securities or other assets on behalf of shareholders, unit holders or other beneficiaries to achieve high returns on targeted investments. This industry excludes insurance and employee-benefit funds, open-end investment funds and trusts, estates and agency accounts.

***Executive Summary***

In recent years, industry assets have become increasingly integral to institutional investors' portfolios and the larger asset-management market. Institutional investors are individuals or organizations that trade securities in such substantial volumes that they qualify for lower commissions and fewer protective regulations since it's assumed that they're knowledgeable enough to protect themselves. Increasing demand from institutional investors has contributed to the surge in the industry's assets under management (AUM) and revenue during the current period.

In recent years, the industry has continued to enmesh itself more deeply within the broader financial ecosystem despite challenges posed by the COVID-19 pandemic in 2020 and 2021. The pandemic, mainly in the first quarter of 2020, contributed to revenue declines for many operators. Many portfolios, previously thought to be sound investments, were reevaluated, and businesses pivoted their strategies due to the unprecedented nature of the crisis. In the past five years, industry revenue grew at a CAGR of 4.0% to \$312.2 billion, including 5.2% in 2024 alone, when profit will increase to 48.9%.

Industry revenue will grow at a CAGR of 4.2% to \$383.6 billion over the five years to 2029, when profit will rise to 50.5%. The Federal Reserve is increasing interest rates to quell historically high inflation. These higher interest rates are reducing liquidity in the markets. Private equity firms and hedge funds will have more difficulty raising capital for investments. As characteristics of the financial system change in light of post-financial crisis banking regulations and regulators' recognition of the importance of hedge funds within the financial system, hedge funds will likely experience heightened oversight.

***Industry Performance***

The Federal Reserve has increased interest rates to combat rampant inflation, which has surged due to persistent supply chain issues and a global energy crisis. After lowering

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<sup>22</sup> IBISWorld Industry Report 52599, July 2024, *Private Equity, Hedge Funds & Investment Vehicles in the U.S.*

rates to historic lows in response to the COVID-19 pandemic, the Fed began raising them in 2022, with the current target rate ranging from 5.25% to 5.50%. These higher rates are reducing liquidity in financial markets, compelling private equity and hedge funds to seek new methods of raising capital, while those unable to adapt are exiting the industry. The previous decade's low-interest-rate environment had been advantageous for these investment vehicles, as it led investors to shift away from fixed-income and credit securities in favor of potentially higher returns. With more accessible funds during that period, fundraising activity surged, and those who capitalized on lower rates are currently benefiting from reduced interest payments and enhanced returns.

Simultaneously, there is a growing interest in Environmental, Social, and Governance (ESG) factors among investors who wish to align their investments with their values. This shift has led private equity firms and hedge fund managers to increasingly incorporate ESG considerations into their investment strategies. For instance, investments are now evaluated for their long-term environmental impact. Investors are also demanding that companies disclose information about their environmental and social performance. In response, private equity firms and hedge funds are diversifying their workforces and integrating ESG principles into their organizational frameworks.

Moreover, minority stakes are becoming more common in private equity firms. As internal competition intensifies, firms are diversifying their investments and establishing smaller, targeted funds, driven by a decrease in liquidity. The significant volatility in prominent markets like the S&P 500 during the COVID-19 pandemic encouraged companies to acquire minority stakes either in other companies or investments. There is a trend towards large private equity groups acquiring minority stakes in one another, as firms seek creative strategies to unlock potential investments. Changes in management types, with CEOs preferring to retain control while leveraging private equity expertise for growth, have also contributed to this trend.

Finally, technology and data analytics are increasingly being utilized by private equity firms and hedge funds to enhance their investment processes. These firms are employing machine learning algorithms to analyze vast amounts of data—such as financial statements, news articles, and social media posts—to uncover trends and insights not immediately visible to human analysts. Additionally, some are automating back-office functions like accounting and compliance using artificial intelligence (AI), which improves task processing and operational efficiency.

### ***Industry Outlook***

The Federal Reserve's ongoing battle against inflation is likely to result in volatile interest rates in the near future. As inflation continues to affect the U.S. economy, the Fed has signaled that it may maintain or further increase interest rates if necessary. These higher rates will reduce market liquidity, making it more challenging for hedge funds and private

equity firms to raise capital. Firms that cannot adapt may be forced out of the industry. Typically, investors turn to lower-risk investments, such as bonds, when interest rates are high, which will pose significant obstacles for the industry due to decreased liquidity and shifting investor preferences. Consequently, hedge funds and private equity firms will need to be more strategic and innovative in finding profitable investments as liquidity tightens.

At the same time, there is a sustained interest in Environmental, Social, and Governance (ESG) factors. Investors are increasingly concerned about the impact of their investments on the environment and society, seeking to align their portfolios with their values. Private equity firms and hedge fund managers are expected to continue integrating ESG considerations into their investment strategies, with climate change effects increasingly influencing investment decisions across various sectors. As environmental conditions worsen, the importance of selecting investments that contribute positively to the environment will grow. Additionally, as the population becomes more diverse, there is an expectation for hedge funds and private equity firms to reflect this diversity in their operations.

The use of technology and data analytics by private equity firms and hedge funds is expected to expand further. These firms will increasingly rely on advanced technology to identify and evaluate potential investments, and to manage and monitor existing portfolios. With the growing dependence on technology, cybersecurity will become increasingly critical, prompting firms to invest more in securing their technological networks. As artificial intelligence (AI) evolves, it will enable hedge funds and private equity firms to analyze extensive data sets in real-time, facilitating more informed trading and investment decisions. Given that data is now considered a crucial asset, industry players will use improved tools to access and analyze data, aiming to discover new investment opportunities.

Moreover, fintech is emerging as an attractive investment area for private equity, hedge funds, and investment vehicles. The rapidly growing fintech and biotechnology sectors, though currently constrained, are poised for future expansion and will likely attract increased investment. The proximity of Silicon Valley and Wall Street offers industry players easy access to cutting-edge technological innovations and robust financial networks, enhancing their ability to invest in promising new ideas. As the distinction between Silicon Valley and Wall Street continues to blur, private equity firms and hedge funds that can sift through the hype to find valuable opportunities will be well-positioned in the evolving fintech landscape.

## VALUATION METHODOLOGY

There are three conceptually distinct methodologies that can be applied to estimate indications of value of a business or asset: (a) the income approach, (b) the market approach, and (c) the cost approach.

### VALUATION APPROACHES

#### ***Income Approach***

The income approach quantifies the present value of anticipated future income generated by a business or an asset. Forecasts of future income require analyses of variables that influence income, such as revenues, expenses, and taxes. One form of the income approach, the discounted cash flow (DCF) analysis, defines future economic income as net cash flow and takes into account not only the profit-generating abilities of a business but also the investment in capital equipment and working capital required to sustain the projected net cash flow. The forecasted net cash flow is then discounted to present value using an appropriate rate of return or discount rate. The income approach is unique in its ability to account for the specific contribution to the overall value of various factors of production.

#### ***Market Approach***

The market approach considers the implied pricing in third-party transactions of comparable businesses or assets. Transactions are analyzed in order to identify pricing patterns or trends that can be used to infer value on the subject business or asset. Adjustments are made to the transaction data to account for relative differences between the subject and the comparable transactions. The primary strength of the market approach is that it offers relatively objective pricing evidence from the market at large and, aside from certain adjustments to the transaction data, requires few assumptions to be made.

#### ***Asset-Based (Cost) Approach***

The asset-based approach considers the value of a business or security based on the value of its assets net of its liabilities. Replacement cost is often a primary indicator of the value of a business' assets. The asset-based approach is based on the reasoning that a prudent investor would not pay more for a business or asset than the cost to the investor to replace or re-create it. Historical cost data and reported book values are often used as initial indications of value, with certain adjustments made for physical deterioration, obsolescence, input costs, appreciation, or other factors. The asset-based approach makes fewer assumptions than the income approach, but its primary limitation is its inability to capture the value of many categories of intangible assets.

**VALUATION METHODS**

The following are common valuation methods used under the three approaches:

**A. Income Approach**

1. Discounted Cash Flow Method (multi-period model)
2. Direct Capitalization Method (single period model)
3. Excess Earnings Method

**B. Market Approach**

1. Guideline Public Company Method
2. Merger and Acquisition Method

**C. Asset-Based Approach**

1. Reproduction Cost Method
2. Replacement Cost Method
3. Net Asset Value Method

**SUMMARY OF THE VALUATION APPROACHES AND METHODS**

For the valuation of non-controlling interests in holding companies such as DAF, the asset-based approach is most commonly used. When applied to such companies, the approach consists of measuring the underlying net asset value (NAV) of an entity (the fair market value of the entity's assets less the fair market value of its liabilities). The NAV is then discounted as appropriate to determine the fair market value of the fractional interest in the entity.

## VALUATION ANALYSIS

### ASSET-BASED APPROACH ANALYSIS - NET ASSET VALUE

DAF's ultimate holdings are interests in various investment assets. DAF's sole asset reported as of the Valuation Date consisted of 100% of the equity of CLO HoldCo. CLO HoldCo is a holding company which invests in CLOs and other investments. We relied upon DAF management's determination of CLO HoldCo's NAV based on the values of its various underlying investments and assets. CLO HoldCo's balance sheet as of the Valuation Date is shown in the following charts and in Schedule A.1.

As shown below, CLO HoldCo's primary assets consist of cash & cash equivalents and other investment investments<sup>23</sup>. CLO HoldCo reported \$316.3 million in total assets. CLO HoldCo also reported \$47.2 million in total liabilities as of the Valuation Date. Therefore, CLO HoldCo's equity can be reasonably stated as \$269.1 million.

#### *CLO HoldCo, Ltd - Summary Balance Sheet*

Balance Sheet as of:		
9/30/2024		
	Actual	%
<b>Current Assets</b>		
Cash & Equivalents	\$138,419,315	43.8%
<b>Total Current Assets</b>	138,419,315	43.8%
<b>Other Assets</b>		
Other Investments	175,328,461	55.4%
Cash Collateral	81,419	0.0%
Interest Receivable	0	0.0%
Dividends Receivable	0	0.0%
Note Receivable	1,321,109	0.4%
Due from Affiliate	470,000	0.1%
Due from Broker	637,419	0.2%
<b>Total Assets</b>	316,257,723	100.0%
<b>Total Liabilities</b>	47,204,916	14.9%
<b>Total Equity</b>	269,052,808	85.1%
<b>Total Liabilities &amp; Equity</b>	316,257,723	100.0%

<sup>23</sup> Other investments consist of investments in approximately 39 entities.



***DAF NAV Conclusion***

As of the Valuation Date, DAF's balance sheet consisted solely of a 100% ownership interest in CLO HoldCo's equity. Therefore, DAF's NAV can be reasonably stated as \$269.1 million (rounded). This analysis is summarized in the following table and in Schedule A.2.

Balance Sheet as of:		
9/30/2024		
	Actual	%
Assets		
CLO HoldCo, LTD	\$269,052,808	100.0%
Total Assets	\$269,052,808	100.0%
Total Liabilities	\$0	0.0%
Total Equity	\$269,052,808	100.0%
Total Liabilities & Equity	\$269,052,808	100.0%

## **CONCLUSION OF VALUE - SUBJECT INTEREST**

DAF's NAV was determined to equal \$269.1 million as of the Valuation Date. Dividing this NAV by the 305 total participation shares outstanding results in a NAV per share of \$882,140. However, sellers of fractional interests in holding companies rarely receive a price equal to the NAV of their investment. This is because the interest holders do not have direct control over the entity's assets and have a limited market for their interests. Therefore, in order to arrive at the fair market value of the Subject Interest shares that are the subject of this analysis, we applied relevant discounts (control and marketability).

### **DISCOUNT FOR LACK OF CONTROL**

Discounts for lack of control are applied based on the premise that an asset or interest in an entity in which an owner lacks decision making control would sell for less to a hypothetical buyer than an identical asset or interest which the same owner controls. Lack of control removes the investor's ability to make key decisions, including how to best manage the business, whether and how much cash to distribute to shareholders, or whether to pursue an acquisition or sale of the business.

Due to the Company's ultimate holdings in debt and equity investments, the Company exhibits some of the characteristics of a closed-end fund. Closed-end funds, like open-ended mutual funds, are asset holding companies that typically hold a portfolio of publicly traded securities. However, unlike unit holders in open-ended funds, closed-end fund unit holders who wish to liquidate their investment cannot look to the fund to repurchase their shares. Rather, they must sell them on the open market. The price they receive is not usually equal to the fundamental or net asset value of the investment. Therefore, the fair market value of closed-end funds is generally described in terms of a discount or premium to net asset value.

To align with the Company's holdings, we selected closed-end fund data from investment grade bond funds and general equity funds. The investment grade bond fund data shown in Schedule B.1 indicated mean and median discounts of 2.9% and 2.5%, respectively. The general equity fund data shown in Schedule B.2 indicated mean and median discounts of 12.1% and 13.6%, respectively. Based on these indications, we selected a discount for lack of control of 8.1% to be applicable to the Subject Interest, as shown in Schedule B.3.

### **DISCOUNT FOR LACK OF MARKETABILITY**

Discounts for lack of marketability (DLOMs) are applied to the shares of private companies based on the premise that an asset or interest in an entity without a readily available market would sell for less to a hypothetical buyer than an identical asset or interest that is readily marketable. Several factors are widely recognized to affect

marketability, such as distributions or dividends, investment performance, holding period to complete a sale, and management performance, among others. We utilized two methods of quantifying a relevant DLOM: the put option approach and an analysis of restricted stock studies.

### ***Put Option Approach***

The price of a contract providing the right to sell a number of shares (a put option) represents the difference between the non-marketable and marketable price of an asset. For example, if a holder of restricted or non-marketable stock purchases a put option on the underlying asset, the holder would be purchasing marketability. The price of the put determines the size of the DLOM.

In order to determine the price of such a put, we utilized the Black-Scholes put option model.<sup>24</sup> Based on our analysis, we determined that an appropriate volatility for investment grade bond funds and general equity bond funds such as DAF is approximately 12.3% (Schedule C.2) and between one half and one year (averaged to 0.75 years) would be required to sell the Subject Interest in an orderly transaction. As a result of these inputs, the put option approach indicated a discount for lack of marketability of 2.8%. This DLOM indication is presented in Schedule C.1.

### ***Restricted Stock Study Analysis***

There are several studies that attempt to measure discounts for lack of marketability, and a review of these studies is helpful in assessing a reasonable marketability discount for the Subject Interest.<sup>25</sup> As mentioned, we would expect between six months and one year to be required to sell the Subject Interest in an orderly transaction.

Schedule C.4 presents a summary of restricted stock studies performed involving issuances of shares during the time period 1997 through 2008, which is when the SEC-mandated lock-up period for restricted stocks was one year. Based on a range of low discounts of 9.0%-10.9%, we selected a 9.7% DLOM utilizing the findings of the restricted stock studies.

### ***DLOM Conclusion***

The put option approach in Schedule C.1 indicated a DLOM of 2.8%. The restricted stock study analysis in Schedule C.4 indicated a DLOM of 9.7%. Based on these indications, we

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<sup>24</sup> Black, F. and M. Scholes, "The Pricing of Options and Corporate Liabilities," *Journal of Political Economy*, May 1973

<sup>25</sup> See Schedule C.3

## CONCLUSION OF VALUE - SUBJECT INTEREST

concluded a discount for lack of marketability of 6.3%. This conclusion is presented in Schedule C.5.

**CONCLUSION - SUBJECT INTEREST VALUE**

Based on the procedures outlined herein and the corresponding analysis, it is our opinion that the fair market value of the Subject Interest as of the Valuation Date can be reasonably stated as:

**\$75,961,370**

**SEVENTY-FIVE MILLION NINE HUNDRED SIXTY-ONE THOUSAND THREE HUNDRED SEVENTY DOLLARS**

FMV Summary			
Company Net Asset Value (NAV)		\$269,052,808	Schedule A.2
Shares Outstanding		305	
NAV Per Share		\$882,140	
<u>Applicable Discounts</u>			
Discount for Lack of Control	8.1%		Schedule B.3
Discount for Lack of Marketability	6.3%		Schedule C.5
Combined Discount	13.9%	(\$122,527)	
FMV Per Share		\$759,614	
Subject Shares		100	
FMV of Subject Interest		\$75,961,370	

Our conclusion of value is presented in Summary Schedule 2 as well as in the chart above.

This conclusion is subject to the Assumptions and Limiting Conditions and to the Appraisal Certification found at the end of this report. We relied on information received as indicative of the Company as of the Valuation Date. We made limited investigation as to the accuracy and completeness of such information and did not verify this information as part of our valuation. Therefore, we express no opinion or other form of assurance regarding the accuracy of the source data. Our analysis was based in part on this information as well as on other data we developed. We have no obligation to update this

CONCLUSION OF VALUE - SUBJECT INTEREST

report or our conclusion of value for information that comes to our attention after the date of this report.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This valuation by ValueScope, Inc. is subject to and governed by the following Assumptions and Limiting Conditions and other terms, assumptions and conditions contained in the engagement letter.

### **LIMITATION ON DISTRIBUTION AND USE**

The report, the final estimate of value, and the prospective financial analyses included therein are intended solely for the information of the person or persons to whom they are addressed and solely for the purposes stated; they should not be relied upon for any other purpose, and no party other than the Company may rely on them for any purpose whatsoever. Neither the valuation report, nor its contents, nor any reference to the appraiser or ValueScope, Inc. may be referred to or quoted in any registration statement, prospectus, offering memorandum, sales brochure, other appraisal, loan or other agreement or document given to third parties without our prior written consent. In addition, except as set forth in the report, our analysis and report are not intended for general circulation or publication, nor are they to be reproduced or distributed to third parties without our prior written consent. Notwithstanding the foregoing, ValueScope, Inc. permits the Company to distribute this Report to outside professional accounting and legal advisors, and to the Company's shareholders and their professional accounting and legal advisors.

No change of any item in this report shall be made by anyone other than ValueScope, and we shall have no responsibility for any such unauthorized change.

The valuation may not be used in conjunction with any other appraisal or study. The value conclusion(s) stated in this appraisal is based on the program of utilization described in the report and may not be separated into parts. The appraisal was prepared solely for the purpose, function, and party so identified in the report. The report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party for any purpose, without the express written consent of ValueScope, Inc.

### **NOT A FAIRNESS OPINION**

Neither our opinion nor our report are to be construed as an opinion of the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation but, instead, are the expression of our determination of value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, including our analysis whether impairment of goodwill exists.

**OPERATIONAL ASSUMPTIONS**

Unless stated otherwise, our analysis (i) assumes that as of the valuation date, the Company and its assets will continue to operate as configured as a going concern, (ii) is based on the past, present, and future projected financial condition of the Company and its assets as of the valuation date, and (iii) assumes that the Company has no undisclosed real or contingent assets or liabilities, other than in the ordinary course of business, that would have a material effect on our analysis.

We did not make an onsite visit to Company facilities.

**COMPETENT MANAGEMENT ASSUMED**

It should be specifically noted that the valuation assumes the property will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

**NO OBLIGATION TO PROVIDE SERVICES AFTER COMPLETION**

Valuation assignments are accepted with the understanding that there is no obligation to furnish services after completion of this engagement. If the need for subsequent services related to a valuation assignment (e.g., including testimony, preparation for testimony, other activity compelled by legal process, updates, conferences, reprint or copy services, document production or interrogatory response preparation, whether by request of the Company or by subpoena or other legal process initiated by a party other than the Company) is requested, special arrangements for such services acceptable to ValueScope, Inc. must be made in advance. ValueScope, Inc. reserves the right to make adjustments to the analysis, opinion, and conclusion set forth in the report as we deem reasonably necessary based upon consideration of additional or more reliable data that may become available.

In all matters that may be potentially challenged by a Court or other party, we do not take responsibility for the degree of reasonableness of contrary positions that others may choose to take nor for the costs or fees that may be incurred in the defense of our recommendations against challenge(s). We will, however, retain our supporting work papers for your matter(s) and will be available to assist in defending our professional positions taken, at our then current rates plus direct expenses at actual and according to our then current Standard Professional Agreement.

**NO CONSIDERATION IS RENDERED AS TO THE LAW OF THE CAYMAN ISLANDS**

No consideration is rendered as to the law of the Cayman Islands. Implications of Cayman Island jurisdiction are not considered.

**NO OPINION IS RENDERED AS TO LEGAL FEE OR PROPERTY TITLE**

No opinion is rendered as to legal fee or property title. No opinion is intended in matters that require legal, engineering, or other professional advice that has been or will be obtained from professional sources.

**LIENS AND ENCUMBRANCES**

ValueScope will give no consideration to liens or encumbrances except as specifically stated. We will assume that all required licenses and permits are in full force and effect, and we make no independent on-site tests to identify the presence of any potential environmental risks. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction.

**INFORMATION PROVIDED BY OTHERS**

Information furnished by others is presumed to be reliable; no responsibility, whether legal or otherwise, is assumed for its accuracy and cannot be guaranteed as being certain. All financial data, operating histories, and other data relating to income and expenses attributed to the business have been provided by management or its representatives and have been accepted without further verification except as specifically stated in the report.

**PROSPECTIVE FINANCIAL INFORMATION**

Valuation reports may contain prospective financial information, estimates, or opinions that represent reasonable expectations at a particular point in time, but such information, estimates, or opinions are not offered as forecasts, prospective financial statements or opinions, predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis will vary from those described in our report, and the variations may be material.

Any use of management's projections or forecasts in our analysis will not constitute an examination, review, or compilation of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). We will not express an opinion or any other form of assurance on the reasonableness of the underlying assumptions or whether any of the prospective financial statements, if used, are presented in conformity with AICPA presentation



guidelines.

## **REGULATORY AND ENVIRONMENTAL CONSIDERATIONS**

The report assumes all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state or national government, or private entity or organization have been or can be obtained or reviewed for any use on which the opinion contained in the report are based.

ValueScope is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. ValueScope does not conduct or provide environmental assessments and has not performed one for the subject property.

ValueScope has not determined independently whether the Company is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) or the scope of any such liabilities. ValueScope's valuation takes no such liabilities into account, except as they have been reported to ValueScope by the Company or by an environmental consultant working for the Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, ValueScope has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

ValueScope has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.

ValueScope expresses no opinion for matters that require legal or other specialized expertise, investigation, or knowledge beyond that customarily employed by business appraisers.

## **POTENTIAL FUTURE SALES**

Any decisions to purchase, sell, or transfer any interest in the subject company or its subsidiaries shall be your sole responsibility, as well as the structure to be utilized and the price to be accepted.

## ASSUMPTIONS AND LIMITING CONDITIONS

The selection of the price to be accepted requires consideration of factors beyond the information we will provide or have provided. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business and the knowledge and motivations of the buyers and sellers at that time. Due to the economic and individual motivational influences which may affect the sale of a business interest, the appraiser assumes no responsibility for the actual price of any subject business interest if sold or transferred.

**INDEMNIFICATION BY THE COMPANY**

The following indemnifications apply only to the extent that any losses, claims, damages, judgments, or liabilities are not caused by fraud, bad faith, gross negligence, or willful malfeasance on the part of ValueScope.

The Company agrees to indemnify and hold harmless ValueScope and its respective principals, affiliate, agents, and employees ("Indemnified Party") against any losses, claims, damages, judgments, or liabilities arising out of or based upon any professional advisory services rendered pursuant to this agreement. Furthermore, the Company agrees to indemnify ValueScope and any Indemnified Party against any losses, claims, damages, judgments, or liabilities incurred as a result of a third party initiating a lawsuit against any Indemnified Party based upon any consulting services rendered to the Company pursuant to this agreement. In consideration for this indemnification agreement, ValueScope will provide professional advisory services.

The Company agrees to reimburse ValueScope and any Indemnified Party for any necessary and reasonable expenses, attorneys' fees, or costs incurred in the enforcement of any part of the indemnity agreement 30 days after receiving written notice from ValueScope.

The obligations of ValueScope under this agreement are solely corporate obligations, and no officer, director, employee, agent, shareholder, or controlling person in ValueScope shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of you or your affiliates.

### APPRAISAL CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. We have not inspected certain assets, properties, or business interests encompassed by this appraisal.
2. We have no present or prospective future interest in the assets, properties, or business interests that are the subject of this appraisal report.
3. We have no personal interest or bias with respect to the subject matter of this report or the parties involved.
4. Our compensation for conducting the appraisal is in no way contingent upon the value reported or on any predetermined value.
5. To the best of our knowledge and belief, the statements of facts contained in this report, on which the analyses, conclusions, and opinions expressed herein are based, are true and correct.
6. No persons other than us have provided significant professional assistance regarding the analyses, opinions, and conclusions set forth in this report.
7. The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and they represent our unbiased professional analyses, opinions, and conclusions.
8. This report and analysis were prepared under the direction of Steven C. Hastings.
9. I am in compliance with all professional appraisal certifications and licensing.
10. The National Association of Certified Valuators and Analysts (NACVA) has a mandatory recertification program for its accredited members and I am in compliance with that program.

By: ValueScope, Inc.



Steven C. Hastings, CPA/ABV/CFF, CGMA, ASA, CVA  
Principal  
ValueScope, Inc.

**APPENDIX: QUALIFICATIONS OF THE APPRAISER**

***Steven C. Hastings, MBA, CPA/ABV/CFF, CGMA, ASA, CVA***

**Principal**

**shastings@valuescopeinc.com, 817-481-4901**

Mr. Hastings has conducted valuations of common and preferred stock, other equity, and debt instruments of banks and privately held companies.

**EMPLOYMENT HISTORY**

*2006 – Present*

*ValueScope, Inc.*

*Principal*

Mr. Hastings joined the company as a principal to provide valuation and financial modeling and expert advisory services to a select group of clients that expect a high level of accurate financial analysis. As a CPA with significant valuation and financial reporting experience, Mr. Hastings bridges the gap between deal structuring, valuation and the requirements of financial reporting.

*2001 – 2006*

*Value Capital, LLC*

*Principal*

Mr. Hastings served as a principal with Value Capital, LLC. During his tenure at Value Capital Mr. Hastings gained extensive experience in business financings, as well as the analysis of market dynamics in various industries. He provided services to clients in several transactions involving mergers and acquisitions and consulted on and was party to several creative financing transactions. His clients include: health care providers; software development, India outsource services, pre-media print services, and e-learning; video productions and TV show producers; finance companies; restaurant development companies; and other service industries.

*Public Service - 1994 to 2000*

*Finance Commission of Texas*

*Director*

The Commission provides overall policy and supervisory control for three key state agencies: the Banking Department, the Savings and Loan Department and the Office of Consumer Credit Commissioner. As the CPA member of the Finance Commission, Mr. Hastings was responsible for testifying to the Texas Senate on the validity and achievability of bi-annual budgets. Mr. Hastings served as chairman of the Audit Committee for the Texas Department of Banking, which provided the guidance and oversight for compliance with Texas's banking rules and regulations. He was instrumental in assisting the Savings and Loan Department in writing new Mortgage

## APPENDIX: QUALIFICATIONS OF THE APPRAISER

Broker regulations and worked closely with the Consumer Credit Commissioner in clarifying the Texas payday lending regulations.

*1994 – 2001*

*MedCare Financial Solutions, Inc.*

*President*

Mr. Hastings served as an officer of MedCare Financial Solutions, Inc. and MedCapital Funding Corporation. MedCapital provided Medicare, Medicaid and private pay receivable financing to health care providers. MedCare Financial Solutions provided other financial and operational services to health care providers. These services included: divestitures; mergers and acquisitions; claims processing; educational/training; financial consulting; and financing advice regarding working capital, subordinated debt and equity lending. Mr. Hastings developed several reimbursement and financing training courses and is an accomplished speaker on topics related to health care reimbursement and financing systems.

*1986 – 1994*

*H.D. Vest Financial Services*

*Executive Vice President and CFO*

As executive vice president and CFO of H.D. Vest Financial Services, Mr. Hastings assisted in placing over \$1.5 billion annually in investment. Responsible for day-to-day financial operations and capital structuring, Mr. Hastings gained experience in a wide variety of industries and gained strategic relationships with other investment bankers and business brokers. Mr. Hastings was instrumental in taking HD Vest public.

As a general securities principal, Mr. Hastings supervised stockbrokers' and investment advisors' day-to-day activities. As a securities financial and operations principal, he was responsible for filing net capital reports and other types of certifications with the NASD, SIPIC and other state and federal regulating bodies. Being licensed in life, disability, health, property and casualty insurance, Mr. Hasting was instrumental in implementing this line of business at HD Vest.

*1979 – 1986*

*Arthur Andersen & Co.*

*Senior Manager*

Mr. Hastings served as a senior manager with significant responsibilities in the several industries. He consulted on accounting, finance, tax, operations, and systems issues.

**FORMAL EDUCATION**

Master of Business Administration - Arizona State University, Tempe, Arizona  
Bachelor of Science - Indiana University, Bloomington, Indiana

## **CERTIFICATIONS AND LICENSES**

Certified Public Accountant (CPA)  
Accredited Senior Appraiser (ASA)  
Certified Valuation Analyst (CVA)  
Accredited in Business Valuations, AICPA (ABV)  
Certified in Financial Forensics, AICPA (CFF)  
Chartered Global Management Accountant, AICPA (CGMA)  
Former, Certified Health Insurance Claims Professional (NACAP)  
Former, Securities Financial and Operations Principal  
Former, General Securities Principal  
Former, Registered Investment Advisor Principal  
Former, Life, Disability, Health, Property and Casualty Licenses

## **ORGANIZATIONS AND PROFESSIONAL ASSOCIATIONS**

American Institute of CPAs (CPA license, ABV and CFF credential)  
Texas Society of CPAs (CPA license)  
Dallas Society of CPAs (Past: Secretary, Ethic Committee Chairman, Financial Planning Committee Chairman)  
American Society of Appraisers (ASA credential)  
National Association of Certified Valuation Analysts (CVA credential)  
AICPA Business Valuation & Forensic Litigation Support (CFF Credential)  
Financial Executive Institute

## **RECENT IRS CASES - OFFICE OF CHIEF COUNSEL**

Expert Witness – United States Tax Court (New York) 2018, Consolidated T.C. Docket No. 23516-16, Marc Chrem & Esther Chrem v. Commissioner of Internal Revenue, Economic interest in a corporation for gift tax purposes.

- Expert Report April 2018

Expert Witness – United States Tax Court (Nashville) 2009, T.C. Docket No. 30515-09, Nancy Sue Hawk, Transferee, Petitioner v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.

- Expert Report April 2016
- Testimony June 2016
- Court Opinion November 2017

Expert Witness – United States Tax Court (Dallas) 2016, T.C. Docket No. 3030-14, Red River Ventures, Petitioner, v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.

- Expert Report September 2015

## APPENDIX: QUALIFICATIONS OF THE APPRAISER

- Stipulated Tax Court Opinion December 2016

Expert Witness – United States Tax Court (Washington DC) 2016, T.C. Docket No. 1045-13, *Estate of Jinana M. Bowey, et al, Petitioner, v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.*

- Expert Report September 2015
- Stipulated Tax Court Opinion December 2016

Expert Witness – United States Tax Court (Boston) 2014, T.C. Docket No. 8401-13, *Estate of Edward S. Redstone, Petitioner, v. Commissioner of Internal Revenue, Respondent. Economic interest in a corporation for gift tax purposes.*

- Expert Report June 2014
- Testimony August 2014
- Tax Court Opinion October 2015

Expert Witness – United States Tax Court (Washington DC) 2014, T.C. Docket No. 223630-12, *Michael Tricarichi, Petitioner, v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.*

- Expert Report April 2014
- Testimony June 2014
- Tax Court Opinion October 2015

Expert Witness - United States Tax Court (Chicago, IL) 2014, T.C. Docket No. 6936-10, *et al, John M. Alterman, et al, Petitioner, v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.*

- Expert Report March 2014
- Testimony May 2014
- Tax Court Opinion December 2015

Expert Witness – United States Tax Court (Los Angeles), 2013 - 2014, Docket No. 8097-13, *Sumner Redstone, Petitioner, v. Commissioner of Internal Revenue, Respondent. Economic interest in a corporation for gift tax purposes.*

- Expert Report January 2014
- Testimony March 2014
- Tax Court Opinion December 2015

Expert Witness – IRS & DOJ, United States Tax Court (Houston) 2013, Docket No. 20177-11, *Richard H. Cullifer, Petitioner, v. Commissioner of Internal Revenue, Respondent. Transferee of a transferee liability issues.*

- Expert Report August 2013
- Testimony November 2013
- Tax Court Opinion October 2014

## **RECENT IRS CASES – LMSB AUDIT DIVISION**

Expert Witness for the IRS LSMB Audit Division – Plantation, FL, 2016, International debt transactions subject to IRC Sections 163(a) and 385.

- Federal Tax Appeals Testimony – Houston, TX, November 2016.

Expert Witness for the IRS LSMB Audit Division – Houston, TX, 2016, International financing transactions subject to IRC Section 482.

- Federal Tax Fast Track Appeals Testimony – Houston, TX, January 2016.

Expert Witness for the IRS LSMB Audit Division – Houston, TX, 2015, Split-dollar life insurance policy dealing with IRC Sections 1.7872, 1.61-22 and 20.2031.

- Federal Tax Appeals Testimony – Houston, TX, August 2015.

Expert Witness for the IRS LSMB Audit Division – Detroit, MI, 2015, International Inversion Case dealing with IRC Section 7874.

- Federal Tax Appeals Testimony – Detroit, MI, June 2015.

## **RECENT DEPARTMENT OF JUSTICE CASE**

Expert Witness – United States District Court for the Northern District of Texas, Civil Cause No. 3:17-cv-0609-B, Tony and Mii's, Inc, et al, v. United States of America. Fraudulent valuation issues report, October 2018.

Expert Witness – United States District Court for the Southern District of Texas, Civil Action No. 4:16-cv-03302, ALPC Services of Texas, Inc. v. United States of America and Internal Revenue Service. Valuation issues report, 2017.

- Stipulated Settlement, 2017

Expert Witness – Federal Court, Case No. 12-844, *The Estate of David W. Longaberger v. The United States*. Valuation issues report, 2014.

## **RECENT CIVIL COURT REPORTS, TESTIMONY AND DEPOSITIONS**

Expert Witness – The U.S. District Court for the District of Delaware, C.A. No. 06-451-SLR, Alcoa v. Alcan, Century Aluminum, Pechiney, et al. Deferred tax benefits and the improper recording of revenue and expenses for federal tax purposes.

- Expert Report June 2018
- Deposition Testimony May 2019

Expert Witness - Dallas County District Court, Texas, Cause No. DC-15-00923, Enterprise Financial Group, Inc. v. NAVISS, LLC et al. Fraudulent transfer, solvency and economic damages.



APPENDIX: QUALIFICATIONS OF THE APPRAISER

- Expert Report April 2018
- Daubert Hearing Testimony May 2018 (Report and Testimony Accepted by Court)

Expert Witness – Dallas County District Court, Texas, Cause No. DC-16-00270, Victor Bernal, et al v. DK8, LLC, et al (Honda of Burleson). Shareholder buyout dispute.

- Expert Report November 2016

Expert Witness – Dallas County, Texas, Cause No. CC-14-06294-C, Caden Clark v. Columbia Medical Center of Arlington et al. Economic damages related to lost wages.

- Expert Report February 2016
- Deposition May 2016
- Jury Trial August 2016

Expert Witness – State of Louisiana Division of Administrative Law, Docket No. 2015-4059-HH, Department of Health and Hospitals in the Matter of General Medicine. Medicaid claims coding issues.

- Expert Report February 2016
- Trial Testimony March 2016

Expert Witness – Federal Magistrate, Washington D.C., Case No. 14-671C. Always at Market, Inc. v. United States of America (DOD/DOJ). Army & Air Force Exchange Service economic damages.

- Expert Report September 2015
- Deposition February 2016
- Stipulated Settlement August 2016

Expert Witness – Circuit Court of Jefferson County, Alabama, Civil Action No. CV-05-1483, General Medicine, PC v. Healthsouth Corporation v. General Medicine, PC. Economic damages related to contract dispute.

- Expert Report April 2014
- Deposition June 2014
- Jury Trial February 2015

**SPEAKING ENGAGEMENTS**

“How to Finance Your Company” – National Med Trade

“Employee Stock Ownership Plans – When They Make Sense” – TAHC

“Documentation Linking Systems” – Oklahoma Healthcare Association

“CORF – What You Need to Know to Run A Successful Business” – PT Association

“Surviving a Prospective Payment System” – TAHC

“Diversification Strategies for Healthcare Providers” – Missouri Healthcare Association

APPENDIX: QUALIFICATIONS OF THE APPRAISER

"Diversification Strategies" – NAHC

"Cost Reporting Under IPS and PPS" –TAHC

"Key Survival Strategies under the Balanced Budget Act of 1997" – NAHC

"Financing Receivables" – Kitchens, Lambert & Associates

"Getting Paid" – NAHC

"The Cost Reimbursement System – Achieving Your Goals" – Amedisys Corporation Annual Client Seminar

"Cost Reporting – What You Need to Know to Run A Successful Business" – The Southwest Region AHH

"The Political Process and Your Business" – The Dallas/Fort Worth Association of Mortgage Brokers

"Underwater Stock Options: A Drag on the Company's Financial Performance" – Polaris International

"Estate & Gift Tax Discount Issues – Case Studies" – Internal Revenue Service

"Discounted Cash Flow Analysis: The Four-Step Process" – Internal Revenue Service

"Purchase Price Allocation: Valuation Challenges During Due Diligence" – Strafford Publications

"What's It Worth" – Financial Executives International

## **WHITE PAPERS**

Attaining Reasonable Certainty in Economic Damages Calculations

Healthcare Compensation Arrangements at Risk - OIG Issues Alert on Physician Compensation

An Easy Tool for Determination of Personal v. Enterprise Goodwill

Common Transfer Pricing Mistakes

Possible Changes to Valuation Discount Rules is Unlikely

Common Transfer Pricing Mistakes

Audit Risk for Captive Insurance Companies

## **SCHEDULES**

**Charitable DAF HoldCo, Ltd**  
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Charitable DAF HoldCo, Ltd  
Historical Valuation Summary

Summary Schedule 1  
Valuation Date: September 30, 2024

	For the Quarter Ended:								
	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
Company Net Asset Value (NAV)	\$289,502,301	\$276,241,856	\$275,227,939	\$270,414,002	\$288,884,011	\$277,573,090	\$272,449,558	\$270,432,538	<b>\$269,052,808</b>
Discount for Lack of Control	8.0%	8.7%	7.8%	11.6%	13.9%	8.0%	8.7%	9.7%	8.1%
Discount for Lack of Marketability	7.0%	7.3%	7.1%	6.6%	6.4%	6.5%	6.6%	6.2%	6.3%
Combined Discount	14.4%	15.4%	14.3%	17.4%	19.4%	14.0%	14.7%	15.3%	13.9%
<b>FMV of Subject Interest (Per 100 Shares)</b>	<b>\$81,212,514</b>	<b>\$76,654,941</b>	<b>\$77,292,849</b>	<b>\$73,202,932</b>	<b>\$76,331,301</b>	<b>\$78,284,712</b>	<b>\$76,173,502</b>	<b>\$75,101,687</b>	<b>\$75,961,370</b>

**Charitable DAF HoldCo, Ltd**  
**Current Valuation Summary**

**Summary Schedule 2**  
**Valuation Date: September 30, 2024**

FMV Summary				
Company Net Asset Value (NAV)			\$269,052,808	Schedule A.2
Shares Outstanding			305	
NAV Per Share			\$882,140	
<b><u>Applicable Discounts</u></b>				
Discount for Lack of Control	8.1%			Schedule B.3
Discount for Lack of Marketability	6.3%			Schedule C.5
Combined Discount	13.9%		(\$122,527)	
FMV Per Share			\$759,614	
Subject Shares			100	
FMV of Subject Interest			\$75,961,370	

**Charitable DAF HoldCo, Ltd**  
**DAF Net Asset Value Analysis**
**Schedule A.1**  
**Valuation Date: September 30, 2024**

CLO HoldCo, Ltd - Summary Balance Sheet

<b>Balance Sheet as of:</b>		
<b>9/30/2024</b>		
	<b>Actual</b>	<b>%</b>
<b>Current Assets</b>		
Cash & Equivalents	\$138,419,315	43.8%
<b>Total Current Assets</b>	138,419,315	43.8%
<b>Other Assets</b>		
Highland CLO Funding, Ltd.	10,002,234	3.2%
Highland CLO Funding, Ltd. (Participation Rights)	69,385	0.0%
MidWave Common	1,640,571	0.5%
MidWave - Term Loan A	85,552,571	27.1%
MidWave - Term Loan C	40,174	0.0%
NexPoint Capital, Inc. (BDC)	14,223,433	4.5%
NexPoint Real Estate Strategies Fund Z	8,487,030	2.7%
NexPoint Real Estate Finance (NREF)	6,174,381	2.0%
NexPoint Residential (NXRT)	2,338,207	0.7%
NexPoint Diversified Real Estate (NXDT)	2,331,025	0.7%
Small Bay II (Class I)	3,770,609	1.2%
Small Bay II (Class II)	4,047,276	1.3%
Small Bay II (Class III)	2,357,682	0.7%
Polo Glen	678,545	0.2%
NHT Holdco	109,056	0.0%
ACHC	158,525	0.1%
COLL	115,804	0.0%
HRTX	10,945	0.0%
ACRG/AU	3,267	0.0%
ACRG/BU	1,409	0.0%
TGTX	333,308	0.1%
TMO	282,686	0.1%
BIO	111,081	0.0%
iHeart Communications	365	0.0%
Multi Strat	107,324	0.0%
Crusader Fund II, Ltd.	38,131	0.0%
BVP Property	94,000	0.0%
NCI Apache Trail	1,104,000	0.3%
NCI Fort Worth Land	874,200	0.3%
NCI Royse City Land	11,448,367	3.6%
NCI Stewart Creek	1,250,000	0.4%
NLA Assets	1,766,000	0.6%
FFWM	2,541,184	0.8%
SRG	139,500	0.0%
SRTY	2,380,529	0.8%
SQQQ	1,818,805	0.6%
SPXU	2,174,013	0.7%
Serengetti	2,951,678	0.9%
Conservation Equity Fund	3,253,139	1.0%
MMPQ	527,460	0.2%
Total Wire Convertible Promissory Note	20,560	0.0%
Sable Permian Resources	2	0.0%
Other Investments	175,328,461	55.4%
Cash Collateral	81,419	0.0%
Interest Receivable	0	0.0%
Dividends Receivable	0	0.0%
Note Receivable	1,321,109	0.4%
Due from Affiliate	470,000	0.1%
Due from Broker	637,419	0.2%
<b>Total Assets</b>	316,257,723	100.0%
<b>Total Liabilities</b>	47,204,916	14.9%
<b>Total Equity</b>	269,052,808	85.1%
<b>Total Liabilities &amp; Equity</b>	316,257,723	100.0%

**Charitable DAF HoldCo, Ltd**  
**DAF Net Asset Value Analysis**

Schedule A.2

Valuation Date: September 30, 2024

*Charitable DAF HoldCo, Ltd - Summary Balance Sheet*

Balance Sheet as of:		
9/30/2024		
	Actual	%
<b>Assets</b>		
CLO HoldCo, LTD	\$269,052,808	100.0%
<b>Total Assets</b>	<u>\$269,052,808</u>	<u>100.0%</u>
<b>Total Liabilities</b>	<u>\$0</u>	<u>0.0%</u>
<b>Total Equity</b>	<u>\$269,052,808</u>	<u>100.0%</u>
<b>Total Liabilities &amp; Equity</b>	<u>\$269,052,808</u>	<u>100.0%</u>



**Charitable DAF HoldCo, Ltd**  
**Discount for Lack of Control (DLOC) Analysis**

**Schedule B.1**  
**Valuation Date: September 30, 2024**

*Closed-End Fund Data - Investment Grade Bond Funds*

Closed-End Fund Data - Investment Grade Bond Funds				
Fund Ticker	Fund Name	Net Asset Value	Market Price	Premium (Discount)
BKT	BlackRock Income Trust, Inc.	\$12.65	\$12.43	(1.7%)
FMY	First Trust Mortgage Income Fund	\$13.05	\$12.49	(4.3%)
VBF	Invesco Bond Fund	\$16.87	\$17.01	0.8%
VLT	Invesco High Income Trust II	\$11.74	\$11.53	(1.8%)
JLS	Nuveen Mortgage and Income Fund	\$19.54	\$18.43	(5.7%)
JMM	Nuveen Multi-Market Income Fund	\$6.68	\$6.36	(4.8%)
DMO	Western Asset Mortgage Opportunity Fund Inc.	\$12.28	\$11.97	(2.5%)

Summary Statistics	
	Mean Premium (Discount) (2.9%)
	Median Premium (Discount) (2.5%)
	Standard Deviation 2.2%

*Sources: CEF Connect as of market close September 30, 2024*

**Charitable DAF HoldCo, Ltd**  
**Discount for Lack of Control (DLOC) Analysis**
**Schedule B.2**  
**Valuation Date: September 30, 2024**
*Closed-End Fund Data - US General Equity Funds*

Closed-End Fund Data - US General Equity Funds				
Fund Ticker	Fund Name	Net Asset Value	Market Price	Premium (Discount)
ADX	Adams Diversified Equity Fund, Inc.	\$24.31	\$21.56	(11.3%)
BIGZ	BlackRock Innovat and Growth Term Trust	\$8.54	\$7.55	(11.6%)
CET	Central Securities Corp.	\$56.17	\$45.84	(18.4%)
CRF	Cornerstone Total Return Fund	\$6.85	\$8.09	18.1%
GRF	Eagle Capital Growth	\$12.03	\$9.88	(17.9%)
FXBY	FOXBY Corp	\$27.70	\$16.00	(42.2%)
GDV	Gabelli Dividend & Income	\$28.46	\$24.45	(14.1%)
GAM	General American Investors	\$62.92	\$53.61	(14.8%)
USA	Liberty All-Star Equity	\$7.17	\$7.10	(1.0%)
ASG	Liberty All-Star Growth	\$6.03	\$5.61	(7.0%)
JCE	Nuveen Core Equity Alpha	\$15.21	\$15.37	1.1%
RMT	Royce Micro-Cap Trust	\$10.84	\$9.61	(11.3%)
STEW	SRH Total Return Fund	\$20.51	\$15.80	(23.0%)
SPE	Special Opportunities	\$16.37	\$13.91	(15.0%)
FUND	Sprott Focus Trust	\$8.91	\$7.70	(13.6%)

Summary Statistics	
	Mean Premium (Discount) (12.1%)
	Median Premium (Discount) (13.6%)
	Standard Deviation 13.0%

*Sources: CEF Connect as of market close September 30, 2024*

**Charitable DAF HoldCo, Ltd**  
**Discount for Lack of Control (DLOC) Analysis**

**Schedule B.3**  
**Valuation Date: September 30, 2024**

*DLOC Conclusion*

<b>Discount for Lack of Control Conclusion</b>		
DLOC Determination - Closed End Bond Funds (Mean)	2.9%	<i>Schedule B.1</i>
DLOC Determination - Closed End Bond Funds (Median)	2.5%	<i>Schedule B.1</i>
DLOC Determination - Closed End Equity Funds (Mean)	12.1%	<i>Schedule B.2</i>
DLOC Determination - Closed End Equity Funds (Median)	13.6%	<i>Schedule B.2</i>
<b>Concluded Discount for Lack of Control</b>	<b>8.1%</b>	

**Charitable DAF HoldCo, Ltd**  
**Discount for Lack of Marketability (DLOM) Analysis**

**Schedule C.1**  
**Valuation Date: September 30, 2024**

*DLOM Determination - Put Option Approach*

Discount for Lack of Marketability - Put Option Approach					
Option-Pricing Inputs:					
Stock Price	S	\$1.00			
Strike Price	X	\$1.00	(Set to same as stock price)		
Expected Life	T	0.75	(Years)		
Volatility	s	12.3%	Schedule C.2		
Risk-free rate	R	4.18%	US Treasury Implied Yield for Expected Life		
Dividend Yield	Q	0.00%	*		
<u>Intermediate Calculations:</u>			<u>Intermediate Calculations:</u>		
d1		0.34756838	-d1		-0.34756838
d2		0.24104726	-d2		-0.24104726
N(d1)		0.63591782	N(d1)		0.36408218
N(d2)		0.59524076	N(d2)		0.40475924
Black-Scholes			Black-Scholes		
Call Option Price		\$0.06	Put Option Price		\$0.03
Implied Discount for Lack of Marketability (DLOM)					2.8%

\* Distributions not expected in the near future

**Charitable DAF HoldCo, Ltd**  
**Discount for Lack of Marketability (DLOM) Analysis**

**Schedule C.2**  
**Valuation Date: September 30, 2024**

*Put Option Approach - Historical Guideline Company Volatility Summary*

Historical Volatility Term	Bond Funds					Equity Funds				
	BKT	FMY	JMM	JLS	VBF	FXBY	GRF	EQS	SPE	RVT
0.5 Years	10.1%	10.8%	9.5%	9.0%	8.3%	20.9%	16.6%	43.0%	11.6%	20.3%
1 Year	12.3%	13.7%	9.9%	12.0%	13.0%	20.7%	20.2%	41.7%	11.4%	20.1%
1.5 Years	11.5%	13.2%	10.3%	11.0%	12.3%	25.9%	23.0%	42.1%	10.7%	19.3%
2 Years	11.8%	15.3%	12.5%	11.0%	14.4%	25.6%	28.6%	48.3%	12.3%	21.7%
2.5 Years	12.7%	15.1%	13.3%	11.3%	14.8%	25.8%	32.2%	48.6%	13.6%	23.8%
3 Years	12.6%	14.8%	13.4%	11.2%	14.2%	27.4%	32.2%	47.4%	13.6%	23.8%
3.5 Years	12.3%	14.1%	12.8%	10.8%	13.8%	113.1%	30.2%	45.4%	13.3%	22.9%
4 Years	11.8%	13.9%	12.6%	10.6%	13.7%	106.5%	29.2%	51.4%	13.4%	22.7%
4.5 Years	11.5%	13.8%	14.2%	12.3%	14.0%	101.9%	29.4%	52.7%	15.9%	24.1%
5.0 Years	11.8%	14.5%	16.6%	15.9%	15.5%	97.5%	30.1%	53.5%	22.0%	27.6%

Historical Volatility Term	Statistical Summary					
	Low	25th %	Median	Mean	75th %	High
<b>0.5 Years</b>	8.3%	9.6%	<b>11.2%</b>	16.0%	19.4%	43.0%
<b>1 Year</b>	9.9%	12.0%	<b>13.3%</b>	17.5%	20.1%	41.7%
1.5 Years	10.3%	11.1%	12.8%	17.9%	22.1%	42.1%
2 Years	11.0%	12.3%	14.8%	20.1%	24.6%	48.3%
2.5 Years	11.3%	13.4%	15.0%	21.1%	25.3%	48.6%
3 Years	11.2%	13.5%	14.5%	21.1%	26.5%	47.4%
3.5 Years	10.8%	13.0%	14.0%	28.9%	28.3%	113.1%
4 Years	10.6%	12.8%	13.8%	28.6%	27.6%	106.5%
4.5 Years	11.5%	13.9%	15.0%	29.0%	28.1%	101.9%
5.0 Years	11.8%	15.6%	19.3%	30.5%	29.5%	97.5%

**Concluded Volatility** **12.3%**

Source: Yahoo Finance

Charitable DAF HoldCo, Ltd  
Discount for Lack of Marketability (DLOM) Analysis

Schedule C.3  
Valuation Date: September 30, 2024

DLOM Determination - Restricted Stock Studies

Restricted Stock Studies							
Name of Study	Study Date	Period Covered			Observations	Reported Mean	Reported Median
		From	To	Sub-Sample			
1 SEC Overall Average	1971	1966	1969	Prior to Feb 1997	338	24.0%	NA
2 Johnson and Racette	1981	1967	1973	Prior to Feb 1997	86	34.0%	NA
3 Milton Gelman	1972	1968	1970	Prior to Feb 1997	89	33.0%	33.0%
4 Robert R. Trout	1977	1968	1972	Prior to Feb 1997	60	33.5%	NA
5 Robert E. Moroney	1973	1969	1972	Prior to Feb 1997	146	35.6%	33.0%
6 J. Michael Maher	1976	1969	1973	Prior to Feb 1997	34	35.4%	34.0%
7 Stryker and Pittock (Standard Research Consultants)	1983	1978	1982	Prior to Feb 1997	28	NA	45.0%
8 Wruck, Karen H. (Unregistered only)	1989	1979	1985	Prior to Feb 1997	37	13.5%	12.2%
9 FMV Opinions (Hall/Polacek)	1994	1979	1992	Prior to Feb 1997	>100	23.0%	NA
10 Barclay, Holderness, and Sheehan	2006	1979	1997	Prior to Feb 1997	594	18.7%	17.4%
11 Hertz and Smith	1993	1980	1987	Prior to Feb 1997	106	20.1%	13.3%
12 Management Planning, Inc.	1997	1980	1995	Prior to Feb 1997	49	27.7%	28.9%
13 Hertz, Lemmon, Linck, and Rees	2001	1980	1996	Prior to Feb 1997	404	16.5%	13.4%
14 Wruck and Wu	2008	1980	1999	Encompassing 1997	1,854	11.3%	11.0%
15 Angrist, Curtis, and Kerrigan (MPI) (Unregistered only)	2011	1980	2009	Spanning 1997	402	22.1%	19.6%
16 Willamette Management Associates	1989	1981	1984	Prior to Feb 1997	33	NA	31.2%
17 Silber (1981-1988)	1991	1981	1988	Prior to Feb 1997	69	33.8%	NA
18 Krishnamurthy, Spindt, Subramaniam, and Woidtke:	2001						
<i>All</i>		1983	1992	Prior to Feb 1997	391	19.4%	NA
<i>Restricted Shares</i>		1983	1992	Prior to Feb 1997	75	34.0%	NA
<i>Shares with Registration Pending</i>		1983	1992	Prior to Feb 1997	23	23.3%	NA
<i>Shares Not Known to Be Restricted</i>		1983	1992	Prior to Feb 1997	293	15.4%	NA
<i>Shares with Pending Registration or Not Known</i>		1983	1992	Prior to Feb 1997	316	16.0%	NA
19 Wu	2003	1986	1997	Prior to Feb 1997	301	8.7%	19.8%
20 Bajaj, Denis, Ferris, Sarin (Unregistered only)	2001	1990	1995	Prior to Feb 1997	51	28.1%	26.5%
21 BVR (Johnson)	1999	1991	1995	Prior to Feb 1997	72	20.2%	NA
22 Finnerty:	2012						
<i>Pre-February 1997</i>		1991	1997	Prior to Feb 1997	41	26.3%	20.3%
<i>Post-February 1997</i>		1997	2007	After 1997 & Before 2008	176	21.5%	15.6%
23 Chaplinsky and Haushalter:	2010	1995	2000				
<i>Purchase Discount Only</i>				Encompassing 1997	382	18.7%	15.0%
<i>Purchase Discount and Warrant</i>				Encompassing 1997	235	17.3%	14.0%
24 Brophy, Ouimet, and Sialm:	2006						
<i>Hedge Funds - Traditional PIPEs</i>		1995	2002	Encompassing 1997	586	14.1%	NA
<i>Other Investors - Traditional PIPEs</i>		1995	2002	Encompassing 1997	1,559	9.0%	NA
25 Columbia Financial Advisors:	2000						
<i>Pre-February 1997</i>		1996	1997		23	21.0%	14.0%
<i>Post-February 1997</i>		1997	1998	After 1997 & Before 2008	15	13.0%	9.0%
26 Meidan	2006	1996	2003	Encompassing 1997	1,726	9.8%	NA
27 Verdasca	2007	2000	2006	After 1997 & Before 2008	711	9.7%	10.1%
28 Billett and Floros	2012	2001	2008	After 1997 & Before 2008	12,004	NA	26.7%
29 Stout Risius Ross	2011	2005	2010	Encompassing 2008	98	10.9%	9.3%
30 Harris-Trugman Valuation Associates:	2011						
<i>All</i>		2007	2010	Encompassing 2008	136	16.6%	14.3%
<i>Pre-SEC Rule Change</i>		2007	2007	After 1997 & Before 2008	47	17.9%	14.8%
<i>Post-SEC Rule Change</i>		2008	2010	Post 2008	89	15.9%	14.3%

Charitable DAF HoldCo, Ltd

Schedule C.4

Discount for Lack of Marketability (DLOM) Analysis

Valuation Date: September 30, 2024

*DLOM Determination - Restricted Stock Studies Summary Statistics*

Descriptive Statistics for Reported Mean and Median Discounts		
	Mean	Median
<b>All Studies after 1997 and before 2008</b>		
<b>Low</b>	<b>9.7%</b>	<b>9.0%</b>
Median	15.5%	14.8%
Mean	15.5%	15.2%
High	21.5%	26.7%
Standard Deviation	5.2%	7.0%
<b>All Studies Encompassing 2008</b>		
<b>Low</b>	<b>10.9%</b>	<b>9.3%</b>
Median	13.8%	11.8%
Mean	13.8%	11.8%
High	16.6%	14.3%
Standard Deviation	4.0%	3.5%
<b>Indicated Discount for Lack of Marketability</b>	<b>9.7%</b>	

Charitable DAF HoldCo, Ltd

Schedule C.5

Discount for Lack of Marketability (DLOM) Analysis

Valuation Date: September 30, 2024

*DLOM Conclusion*

Discount for Lack of Marketability		
DLOM Determination - Put Option Approach	2.8%	<i>Schedule C.1</i>
DLOM Determination - Restricted Stock Studies	<u>9.7%</u>	<i>Schedule C.4</i>
<b>Concluded Discount for Lack of Marketability</b>	<b>6.3%</b>	